

their various differences, are reasonably alike economically. The economies of the Pacific Rim states likely to be involved with each other in a Pacific Economic Community are ranged along a much broader scale.

Leaving aside Canada and the United States, the region's economies can be divided roughly into three kinds. At one end of the scale is Japan, already heavily industrialized. Then come the newly industrialized economies of South Korea, Singapore, Hong Kong, Taiwan and Malaysia. Finally, we have the resource-rich countries, including the already developed — like Australia and New Zealand — and the still-developing economies like Indonesia's.

These three economic and industrial components could fit together in an integrated economic system the like of which has never yet been seen. Powered by Japan's development into more high-technology production, both the resource-rich and the newly industrializing nations could advance in harmony. Japan's demand for imports will stimulate development of raw and processed resources, as well as manufactured goods. The newly-industrialized nations could fill the gap at the intermediate technology level, as Japan's own industrial structure evolves.

**Criteria for membership**

Although this integrated economic structure seems to fit so neatly together, it oversimplifies the immense complexity of the Pacific community. At one end of the spectrum are peoples who are only now emerging from the stone age; at the other end is the transistorized, micro-chip world of Japan, the second largest free market economy on earth. China, with one quarter of humanity, shares the same neighbourhood as the South Pacific state of Nauru, not much bigger than Golden Gate Park [in San Francisco].

Politically, the region runs the gamut from representative democracy to Communist states and military juntas. Diversity of religion, race, language and culture makes the Pacific one of the most checkered cultural mosaics in the world. It will take time, commitment and co-operation to chart a common course and pilot it among all these many Pacific currents.

Take, for example, the basic question of who will be a member of the Pacific Economic Community. If the organization is limited to free-market economies, it automatically excludes China, the U.S.S.R., and the Communist states of Southeast Asia. If it is limited to sovereign states, Hong Kong would not qualify. Taiwan's diplomatic status presents other problems.

I'm not seeking to paint a discouraging picture, only to give some idea of the complexity we all face. At the Australian conference last year, the consensus seemed to be that the "core" states of a Pacific Economic Community would be the North American and Western Pacific market economy states. That would include Canada and the United States, Japan, Australia, New Zealand, the ASEAN nations, Korea, and the Pacific islands states as a group. It was envisaged that other Pacific countries could participate in task forces to address various issues.

The most constructive result of the Australian conference was the agreement to

---